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FISCAL IMPACT STATEMENT

LS 6840

BILL NUMBER: SB 458

NOTE PREPARED: Jan 3, 2013

BILL AMENDED:

SUBJECT: Electronic Notice by Political Subdivisions.

FIRST AUTHOR: Sen. Banks

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill has the following provisions:

It allows a political subdivision, which includes an agency of a political subdivision, to publish legal notices on a notice web site instead of in a newspaper.

It establishes requirements regarding availability and accessibility of the notice web site.

It also requires the political subdivision to designate an official responsible for the electronic publication of notices.

The bill requires that a notice web site must have a link that allows a person to submit a complaint to the political subdivision if access to any notice fails.

The bill provides that if a political subdivision does not have an official web site, and the political subdivision chooses to publish notices electronically, the notices shall be published on an official web site of the county government, if: (1) the county government has an official web site; and (2) the county government web site complies with the electronic publication requirements.

It establishes requirements for the duration of the posting of a legal notice and proof of posting.

The bill requires a political subdivision or an agency of a political subdivision to publish an advertisement in a newspaper once a week that states the Internet address of the notice web site and information regarding

Internet accessibility.

Effective Date: July 1, 2013.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: *Summary:* The bill could potentially decrease costs for a local unit to post legal advertising to a web site rather than in a newspaper. Any increase in expenditures necessary to place legal notices on a web site would likely be minimal and would be offset by the cost savings of publishing the notices in a newspaper. However, the bill does not require internet posting of legal notices and any change in expenditures would depend on the actions of political subdivisions to establish a notice web sites and post legal notices on these sites.

Background: The bill has several requirements that may lead to indeterminate, but potentially minimal, expenditures by a political subdivision to be eligible to publish legal notices on its website (or the website of the county in which it is located). Examples of these costs could include: (1) the possibility that the official responsible for electronic publication of legal notices receives additional pay as a result of the added responsibility; (2) the political subdivision must review and take actions to resolve complaints that access to a legal notice on the notice web site fails; (3) keeping on file proof of publication of legal notices to the notice web site ; and (4) the quality level of the internet service required to be able to publish to the notice web site. Additionally, the political subdivision must publish once a week in at least one newspaper of general circulation in the political subdivision that its notices are published on its notice web site.

Based on detailed expenditure data from 2011 annual reports for 600 political subdivisions, the average expenditure on legal advertising was about \$650, ranging between \$100 and \$111,500. [Note: The average is based on units reporting and items labeled to identify the expenditure as legal notice advertising.]

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Political subdivisions.

Information Sources: 2011 Annual Report Data available from the Indiana Gateway for Government Units accessed at <https://gateway.ifionline.org/default.aspx>.

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